

Regional

Institutions for Development / (IFD/CMF)

Framework for the deployment of digital infrastructure in LAC

Evaluation of KPK financed projects

TERMS OF REFERENCE

Background

Broadband is a lever for socio-economic growth. According to a study published by the Bank,¹ it has been observed a 3.2% increase in the Gross Domestic Product (GDP) and a 2.6% increase in productivity where broadband penetration has increased 10% in the Latin American and the Caribbean (LAC) region. Beyond this correlation, broadband offers opportunities to increase life standards. For example: (i) broadband fosters the development of innovative education and health models² and brings public administration closer to the citizen;³ and (ii) it has an important impact on the productive sector.⁴

There is a digital divide between LAC and OECD countries. While in LAC the penetration of fixed and mobile broadband services in 2016 is 10.69% and 59.06% respectively, in the OECD the figures reach 28.94% and 77.32%. One of the pillars that compose the IDBA (Broadband Development Index) calculated by the IDB is Infrastructure. In this pillar, fundamental for the development of the ecosystem, the LAC countries have a score of 3.87 while the OECD countries reach 5.78.

The lower development of this pillar in LAC is fundamentally caused by a lack of investment in broadband networks. Some of the reasons that explain the low investment level are: (i) outdated regulatory frameworks; (ii) high risks for private investors; (iii) high deployment costs.

Although these are important obstacles for the Region, there are several examples from successful public policies that have been implemented around the world to overcome these barriers. The main aspects of these strategies have been: (i) develop a modern regulatory framework that stimulates private investment; and (ii) design collaboration schemas to foster a more efficient use of the existing infrastructure.

The Republic of Korea, through “The Knowledge Partnership Korea Fund for Technology and Innovation (KPK)”, has been a key partner supporting the development of digital infrastructure in the LAC region. The main areas of action have been: (i) capacity building for public officers in LAC; (ii) feasibility studies to deploy new infrastructure; and (iii) strategic regulation to promote competition and investment.

¹ [Socioeconomic Impact of Broadband in Latin American and Caribbean Countries](#). A. García Zaballos and R. López-Rivas. Technical Note. Inter-American Development Bank (IDB), 2011.

² Global Industry Analysts, Inc. 2010.

³ [European Parliamentary Research Service: Digital Agenda](#).

⁴ “*Internet matters: The Net’s sweeping impact on growth, jobs and prosperity*”. Briefing Note, McKinsey Global Institute, McKinsey & Company, May 2011.

Consultancy objective(s)

The objective of this consultancy is to perform an evaluation of the projects supported by the KPK fund to assess their effectiveness and their impact on Korea-LAC cooperation.

Main activities

The selected firm will:

Activity 1: Data Gathering

Gather relevant information to perform the evaluation:

- Hold meetings with representatives from the Korean fund and secondees from the MSIP and other agencies from the Republic of Korea
- Hold meetings with team members from selected projects
- Review preparation documents from selected projects
- Review deliverables and output documents from selected projects
- Hold interviews with beneficiaries from selected projects

Activity 2: Evaluation

The appraisal will include: (i) effectiveness of the projects (achievement of outcome); (ii) impact on Korea-LAC cooperation; (iii) lessons learnt; and (iv) guiding principles for future projects. Regarding the impact study, not only the upgrade of digital infrastructure itself but also indirect effects associated with the increase on ICT trade or public awareness of this sector's importance would be measured as well. It is expected that the output of this component could help Korean donors make strategic decisions for funding future projects in the relevant domain.

Activity 3: Preparation of the report and dissemination

Once the evaluation methodology is approved by the IDB, the contractual will develop the final report including the main findings and recommendations. After the final report is approved, participation in dissemination activities, both in Washington DC and in LAC countries.

Reports / Deliverables

- a) Work Plan
- b) Report including information gathered, main findings and proposed methodology for the evaluation
- c) Final Evaluation Report
- d) Dissemination Activities

Payment Schedule

- 20% upon delivery and approval of product A
- 30% upon delivery and approval of Product B
- 30% upon delivery and approval of Product C
- 20% upon delivery and approval of Product D

Qualifications

The firm will have extensive experience in the ICT for development sector, with senior team members involved in projects in LAC and other developing regions. Specific experience assessing the impact of development projects will be considered.

Characteristics of the Consultancy

- Consultancy category and modality: Firm and individual consultants
- Contract duration: 4 months upon contract signature
- Place(s) of work: Place of residence. Travel required. During this period, the firm is expected to participate in coordination meetings with IDB Specialists in Headquarters (Washington DC).
- Division Leader or Coordinator: Enrique Iglesias (IFD/CMF), Telecom Specialist, enriqueig@iadb.org, Telephone (202) 623-3867.